

Variance thresholds of other Labs

1) Brookhaven National Laboratory

2.3.3 Variance Thresholds [Guide 22, 23, 25 {2.4a, b, d}]{ TC "2.3.3 Variance Thresholds [Guide 22, 23, 25 {2.4a, b, d}]" \f C \l "3" }

Variance analysis is conducted at the control account level, if any **cumulative SPI or CPI is less than 0.9 or greater than 1.10**, unless alternate thresholds are defined in the PEP. The project manager may establish lower thresholds to respond to specific project or BNL needs.

2) Jefferson Lab

Variance Reporting Thresholds

Cost or Schedule Variance >\$25K
OR CPI or SPI < 0.9 or >1.1

Warning

Cost or Schedule Variance >\$50K
AND CPI or SPI < 0.8 or >1.2

Variance Report

3) Los Alamos National Laboratory

6.3.1.2 Variance Analysis Report

The Variance Analysis Report (as documented in the PRISM Executive Summary) notes the amount of the Cost and Schedule variances at the reporting level. An analysis of the source of the variance, and a projection for correcting or carrying the variance, is required for all amounts that exceed the Variance Analysis Threshold, which is typically established and documented in the Project Execution Plan before CD 2.

For each variance amount that exceeds the Variance Analysis Threshold, at either the cumulative or current period level, the source of the variance is categorized as one of the following:

- Poor performance
- Inaccurate initial estimate (including rate variances)
- Project Control System anomaly (i.e., accrued ACWP being recognized out-of-cycle)
- Contingency Event (in-scope, uncoded)
- Scope Creep
- Added scope that has yet to be baselined

At the end of the project, a compendium of VARs can be used as the basis for creating the Lessons Learned document.

6.3.1.2 Traffic Light Chart

The project shall assess and report status against the Traffic Light Chart criteria.

Guidance Note: Project Traffic Light Chart guidance is shown in Attachment 6.

Actual variance thresholds are unknown due to availability of information.

4) Ernest Orlando Lawrence Berkeley National Laboratory

2.3.2 Variance Analysis [Guide 22, 23, 25 {2.4a, b, d}]

Variance analyses provide the means for the control account manager to derive and communicate cost, schedule, and EAC divergences from the performance measurement baseline. Root-cause analysis is performed at least at the control account level. The control account structure is integral with the WBS and will accurately summarize budgets, earned value, actual costs and the associated variances up through both the WBS and the project organization. Variance analysis at levels above the control account is performed in support of internal management needs and external customer requirements.

2.3.3 Variance Thresholds [Guide 22, 23, 25 {2.4a, b, d}]

Variance analysis is conducted if any cumulative SPI or CPI is less than 0.9 or greater than 1.15, unless alternate thresholds are defined in the PEP. The project director/manager may establish lower thresholds to respond to specific project or LBNL needs.

5) Pacific Northwest National Laboratories

Suggested Performance Variance Threshold Limits

Project Reporting Level Variance Thresholds		
Variance	Type	Threshold Limit
Cost	<i>Current Period</i>	+/- 10% and \$50K
	<i>Cumulative</i>	+/- 10% and \$100K
Schedule	<i>Current Period</i>	+/- 10% and \$50K
	<i>Cumulative</i>	+/- 10% and \$100K
At Completion		\$100K
Control Account Variance Thresholds		
Variance	Type	Threshold Limit
Cost	<i>Current Period</i>	+/- 10% and \$25K
	<i>Cumulative</i>	+/- 10% and \$50K
Schedule	<i>Current Period</i>	+/- 10% and \$25K
	<i>Cumulative</i>	+/- 10% and \$50K
At Completion		\$50K

6) Stanford Linear Accelerator center

2.3.2 Variance Analysis [Guide 22, 23, 25 {2.4a, b, d}]

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through both the WBS and the project organization. Variance analysis at levels above the control account is performed in support of internal management needs and DOE requirements.

2.3.3 Variance Thresholds [Guide 22, 23, 25 {2.4a, b, d}]

Variance analysis is conducted if any cumulative SPI or CPI is less than 0.9 or greater than 1.10 at the WBS level 3. The project director/ deputy project director may establish lower thresholds to respond to project needs.

7) Sandia National Laboratories

5.3.1 Variance Thresholds

Project performance will meet the thresholds defined by DOE/NNSA Directives (or applicable Program Office). However, the Project Manager may be directed by Sandia Management to use more rigorous thresholds based on the project risk and other factors. These thresholds could be imposed as low as the Control Account level. The rationale for employing stricter thresholds internally is generally to encourage the project to maintain tighter controls so there is much less likelihood of breaching externally imposed thresholds.

Actual variance thresholds are unknown due to availability of information.

8) OMB Exhibit 300

Section C: Cost and Schedule Performance (All Capital Assets)

EVM is required only on DME portions of investments. For mixed lifecycle investments, O&M milestones should still be included in the table (Comparison of Initial Baseline and Current Approved Baseline). This table should accurately reflect the milestones in the initial baseline, as well as milestones in the current baseline.

1. Does the earned value management system meet the criteria in ANSI/EIA Standard – 748? Yes No

2. **Is the CV% or SV% greater than $\pm 10\%$?**

(CV% = $CV/EV \times 100$; SV% = $SV/PV \times 100$) Yes No

a. If “yes,” was it the?

CV

SV

Both

b. If “yes,” explain the causes of the variance:

c. If “yes,” describe the corrective actions:

3.